

**EXHIBIT B**

A&C Proposal

# CRAIN, LANGNER & CO.



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February 19, 2024

Carrie Frank  
James Beardi  
Richard Suchan  
John Scholl  
The Diocese of Buffalo  
795 Main Street  
Buffalo, NY 14203

RE: The Catholic Diocese of Buffalo  
Proposal for Services  
Strategic Program Review  
Property & Casualty

Ms. Frank and Messrs. Beardi, Suchan, and Scholl,

This follows our recent calls regarding The Diocese of Buffalo Property and Casualty insurance program and insurance department relative to its operations, activities and holdings. Aldrich & Cox, a subsidiary of Crain, Langner & Co., would be happy to provide consulting services to review and report on the Diocese Property and Casualty insurance structure, effectiveness of current policies and program structure, and to present meaningful strategies for the future.

## **PROGRAM REVIEW, ANALYSIS AND STRATEGIC PLANNING**

Our analysis will necessarily start with a review of the current Diocese insurance and risk management program (the "Program") – its structure, historical underpinnings, participants, existing goals, recent performance, challenges borne out of the bankruptcy and other external factors, fixed and variable costs, and established operational plans.

*More importantly*, most of our work will focus on developing strategic options for the future.

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Areas of strategic inquiry and analysis will include, for instance –

1. Risk transfer strategies – commercial insurance, alternative risk, and self-financing
2. Constituency, stakeholder, and Diocese needs and objectives
3. Commercial insurer interest in our Program, holdings, operations
4. Review of past insurance coverage
5. Quality of Program data - accuracy, completeness, accessibility, reporting
6. Flexibility in Program design and implementation
7. Budget predictability, cost-drivers
8. Cost-saving opportunities
9. Future Program budgeting
10. Implementation Timeline

All lines of the Diocese Property and Casualty insurance program will be included in our analysis:

Property, Boiler & Machinery  
General Liability and Auto – Including all excess layers  
Commercial Crime  
Clergy Auto  
Student Accident  
Workers' Compensation  
New York Disability DBL and NY Paid Family Leave PFL  
Third-Party Administrative Service Agreement  
Outside Actuarial Service Agreement

## DELIVERABLES

Our work will include the preparation and delivery of the following items:

1. Executive Summary – Findings and Recommendations
2. Program Graph – Current Program, Future Program Options
3. Total Cost of Risk Worksheet
4. Policy Schedule Summary
5. Statement of Values
6. Named Insured Schedule
7. Proforma Program - Structure Map
8. Departmental Personnel Chart, Description of Needs
9. Proforma Program Budget – Cost Projections
10. Draft – Implementation Timeline – Recommendations, Options to Consider, etc.

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We will need various documents and information to conduct our work. We are confident such documents and information will be readily available from various sources including your Insurance Department offices, the brokers, and the insurers. We will provide a list of these items upon engagement, which will include basic documents such as the insurance policies, loss data, financial statements, etc. Additionally, we expect to be able to interact directly with various internal Diocese personnel and external service providers to the extent appropriate, for instance with the TPA, the brokers, Diocese legal counsel, etc.

We fully expect to meet with Diocese leadership in person to review our findings and recommendations.

Note, to the extent that during the course of our work we identify opportunities or issues that warrant your immediate attention, we will endeavor to bring them to your prompt attention. For instance, the Excess Workers' Compensation coverage renews April 1, 2024 and we will report to you in real time any opportunities/issues we observe relative to that coverage; fixed and administrative costs, and its current self-insured retention.

#### **FEES AND TIME SCHEDULE**

The fee associated with our work will be fixed at \$72,000 payable in three installments:

\$24,000 at project commencement  
\$24,000 at 30 days  
\$24,000 at 60 days

This budget contemplates considerable in-person and virtual meeting time with appropriate Diocese leadership and program participants. We will charge no expenses for this work.

We can complete our work within seventy-five (75) days of engagement and perhaps considerably sooner depending on the availability of needed documentation and personnel interviews. Again, to the extent timing allows us to offer strategic direction during the course of our work that can be considered immediately (*e.g.*, the Excess Workers' Compensation structure and renewal), we will do so.

#### **PLAN SELECTION AND IMPLEMENTATION**

The proposed work would not entail the implementation of the selected strategy(ies). Such work would necessarily take considerable planning and time to execute given the complexity, history, and number of participants in the current Program. Plan Selection and Implementation will have a broad scope of work which we can develop during this initial analysis. Implementation work will naturally depend on the strategic directions the Diocese selects. At this juncture, we cannot accurately estimate the implementation timeline. Nonetheless, we anticipate that some options for program change may emerge as a result of our analysis, and which also may be in whole or in part viable for implementation relative to the existing 2024 (excess) policy renewals.

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We will be engaged as consultants, providing research, analytical and related insurance advice only. No guarantees as to the results to be achieved are given or implied. A copy of a General Terms and Conditions is attached hereto as Exhibit A. Please sign and return one copy of this letter and retain the other copy for your files. We look forward to working with you and welcome the opportunity to be of assistance to The Diocese of Buffalo and its stakeholders.

Daniel C. Buser

Daniel C. Buser

Managing Partner

DCB/cpf

Att.

Read, understood, and agreed:

A handwritten signature in blue ink, appearing to read 'Dan Buser', written over a horizontal line.

Signature

A handwritten name in blue ink, appearing to read 'Daniel C. Buser', written over a horizontal line.

Name

A handwritten title in blue ink, appearing to read 'Managing Partner', written over a horizontal line.

Title

A handwritten date in blue ink, appearing to read '2.19.2024', written over a horizontal line.

Date

INSURANCE AND RISK MANAGEMENT



**Exhibit A**

**GENERAL TERMS AND CONDITIONS**

**1. Confidentiality** - Crain, Langner & Co./Aldrich & Cox, Inc. will keep and retain all information obtained from Client confidential. Any advice, recommendations, information, or work product provided to Client by Crain, Langner & Co./Aldrich & Cox, Inc. are confidential and may not be relied upon by any third party. Neither Crain, Langner & Co./Aldrich & Cox, Inc. nor Client will disclose or permit access to advice, recommendations, information, or work product to any third party without prior written consent of the other party, subject however, to each party's right to share the foregoing with its respective financial and legal advisors.

**2. Role and Responsibility** - Crain, Langner & Co./Aldrich & Cox, Inc. will be engaged as risk management and insurance consultants. No guarantees as to results to be achieved are given or implied. Each party's liability to the other arising out of the performance of services hereunder shall be limited to the amount and extent of such party's insurance. It is understood that our services will include advice and recommendations; all decisions in connection with implementing such advice and recommendations shall be the responsibility of Client.

**3. Cooperation** - The work will require the participation and cooperation of representatives of Crain, Langner & Co./Aldrich & Cox, Inc. and Client, all of who agree to cooperate fully in order that the objectives of the Scope of Work can be achieved in a timely fashion consistent with the budget and agreed upon schedule. To the extent needed, we will help Client identify the categories of persons (titles, positions) whose time and input will be essential to the success of the project. Client cooperation will include, for instance, the timely access to documents, reports, data, facilities, and equipment, parts of which may be obtained from Client's agent, broker, claims administrator, or insurer.

**4. Consultant Independence** - Opinions rendered as to the structure of a program are not influenced by any present or future commission income. Crain, Langner & Co./Aldrich & Cox, Inc. sell no insurance. Crain, Langner & Co./Aldrich & Cox, Inc. are compensated on a fee-for-service basis only. We do not accept remuneration from any source other than our clients. Crain, Langner & Co./Aldrich & Cox, Inc. are independent of and not related to any insurance company, agent, broker, claims administrator, or other intermediary. Principal consultants of Crain, Langner & Co./Aldrich & Cox, Inc. have over 40 years of combined insurance consulting experience.

**5. Fees, Expenses and Invoicing** - Upon signature of this agreement, Client will receive an initial invoice for the amount due at project commencement. Invoices will be issued monthly and are payable upon receipt. Invoices not paid within thirty days of receipt may be subject to a charge of 1% of the outstanding invoice amount. Time keeping is tracked in quarter-hour increments and reflects detailed time entries by consultant, task performed, date, and time expended. Expenses are billed at cost in addition to charged fees. Expenses can include airfare (coach class), car rental, taxi, lodging, and commercial photocopying. We do not bill clients for any food or beverage, telephone, fax, e-mail, postage or in-house photocopying expenses.

**6. Project Schedule and Termination** - The Scope of Work will be performed pursuant to an agreed upon schedule which the parties may change as needed. To the extent required by the project, the parties will work together to establish a work calendar delineating when tasks or project parts will be completed, parties to participate in tasks, etc. Either party may terminate this agreement upon thirty days' written notice. Unless otherwise specified in the notice of termination, termination shall be effective the date of receipt of such notice, and Client shall, within twenty days, pay Crain, Langner & Co./Aldrich & Cox, Inc., the amount equal to the value of time incurred up to the date of such termination.

**INSURANCE AND RISK MANAGEMENT**